



MICHIGAN LOTTERY RETAILER - APPLICANT INFORMATION - CLUB GAMES

1. The Bureau of State Lottery wishes to advise all applicants for licenses and/or changes of ownership not to invest any money or commit themselves by any binding agreements in the expectation of being issued a license or approval of a change of ownership until officially notified by the Lottery that their application has been approved.
2. Most applicants with an acceptable credit history and no criminal record that would adversely affect the integrity of the Lottery may be licensed. **ANY CRIMINAL RECORD MUST BE DISCLOSED ON PERSONAL DATA SHEETS.**
3. A copy of a bill of sale or other proof of ownership must be provided before a license will be issued.
4. An application processing fee of \$150 will be withdrawn from the Retailer's EFT account once a license is issued. This withdrawal will occur approximately three weeks from the installation date. (For Pull-Tab only retailers, the fee will be assessed approximately three weeks from the date of the first Pull-Tab order.)
5. Licensed Retailers are required to maintain a separate account in a financial institution that is a member of The Michigan Automated Clearing House Association. The Lottery must be authorized to initiate electronic funds transfers (EFT) to or from the Retailer's designated account for the net weekly settlements due from the sale of tickets. The Retailer shall ensure that "good" funds shall be available in the designated account to cover said transfers on the day of week specified by the Lottery.

"Good" funds are defined as unrestricted funds credited to a Retailer's account that a financial institution will release for payment of an EFT. Unrestricted funds do not include checks placed on hold until they have cleared the maker's account or deposited checks that the maker's financial institution has returned unpaid.

Applicants should submit a completed Electronic Funds Transfer (EFT) Authorization Card with the application. If this EFT account will not be established until closing of the sale, a deposit slip or void check may be submitted at that time. Lottery products will not be made available to the Retailer until this information is provided.

6. BUSINESS TYPE definitions to be used for completion of application, determination of Personal Data Sheet and signature requirements.
 - a. **SOLE PROPRIETORSHIP** - a business enterprise doing business under an assumed name, that is owned by one person (not registered with the Michigan Department of Consumer & Industry Services). A Proprietorship may use the owner's Social Security number as a tax identification number or s/he may have a registered Federal Employer Identification Number (FEIN). The owner must complete and sign the contract and submit a Personal Data Sheet.
 - b. **PARTNERSHIP** - a business enterprise doing business under an assumed name that is NOT registered as a Partnership with the Michigan Department of Consumer & Industry Services. Each Partner must sign the contract and Personal Data Sheets must be provided for all partners.
 - c. **LIMITED PARTNERSHIP** - a business enterprise, doing business under an assumed name, that IS registered as a Partnership with the Michigan Department of Consumer & Industry Services. A General Partner must sign the contract and Personal Data Sheets must be provided for all general partners.

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- d. **LIMITED LIABILITY COMPANY** - a business enterprise, doing business under an assumed name, that is registered as an unincorporated association with the Michigan Department of Consumer & Industry Services. Members are required to sign the contract and submit Personal Data Sheets. (Members are defined as persons having ownership interest in a limited liability company.)
- e. **CORPORATION** - a business enterprise organized as a corporate entity, doing business under an assumed name, that is registered with the Michigan Department of Consumer & Industry Services.

“Closely Held Corporation” means a corporation where a majority (more than 50 percent) of the outstanding voting stock is owned by ten or fewer persons. Any person authorized and empowered to execute contracts and bind the corporation to its terms and obligations may sign the contract. A Personal Data Sheet is required for each owner/shareholder, except that any individual owning less than 10 percent may be listed on a separate sheet of paper and is required only to provide name, Social Security number and percent of ownership.

“Non-Closely Held Corporation” means a corporation where a majority (more than 50 percent) of the outstanding voting stock is owned by more than ten persons. The Principal Operating Officer(s) is/are required to sign the application and submit Personal Data Sheet(s). (A Principal Operating Officer is defined as a person designated to conduct business in the State of Michigan on behalf of the corporation being licensed.)

- f. To properly comply with the reporting requirements for the Internal Revenue Service, the Lottery must change the retailer number assigned to you when you change your business structure. The Lottery defines a change in business structure as anytime your Taxpayer Identification Number, Corporate Number or business type (sole proprietor, partnership or corporation) changes. When your retailer number is changed, we must financially close out the old retailer number.
7. Please note that the accompanying retailer license application requires that you indicate if your business is in compliance with the Americans with Disabilities Act (ADA). If you have any questions about compliance, please contact the State ADA Coordinator.